



OFFICE OF THE ATTORNEY GENERAL OF TEXAS

AUSTIN
March 12, 1946

GROVER SELLERS
ATTORNEY GENERAL

Hon. L. A. Woods
State Superintendent of Public Instruction
Austin, Texas

Dear Dr. Woods:

Opinion No. 0-7096

Re: Effect of tax rate increase
and tax valuation decrease in
Talpa Independent School District
concerning equalization aid.

Your recent communication to this department reads as follows:

"During the summer of 1944, prior to the opening of the 1944-45 school term, the Talpa School District #50 of Coleman and Runnels Counties voted to raise all valuations fifty per cent throughout the district, effective for the one year only. At the time of this action, Talpa was dropping to a five-teacher school due to a decrease in scholastics; so in order to maintain an accredited high school, the above action was taken. But before the beginning of the 1945-46 term, the district voted to raise the tax rate fifty per cent (from \$1.00 to \$1.50) and let the valuations drop back to the figures prior to their 1944-45 action. I would like to secure an opinion from your office establishing the legality of the handling of the assessed valuations and the tax rate of the Talpa District in relation to the ultimate effect on the eligibility of Talpa as it applies to Article I, Section 2, and Paragraph 2 of the Rural Aid Law."

Since receipt of your communication, we requested of your department additional information. This has been furnished by Hon. D. E. Loveless, County Superintendent of Coleman County. His recent letter to your Mr. A. B. Martin reads as follows:

"In replying to your request of March 4 for information regarding the valuations of the Talpa School District #50, first I must say that the Talpa District is an Independent District instead of a common.

"The Talpa Board of Trustees, after an election was held and carried to raise the rate from \$1.00 to \$1.50, dismissed their assessor-collector and authorized the county

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assessor-collector to assess and collect their school tax on the basis of county valuations and at the \$1.50 rate.

"The amount of tax raised by the prior tax system on the prior valuations amounted to \$11,655.84 (100% collections) The amount of tax to be collected this year at the \$1.50 rate but with the reduced valuations is \$11,953.65 (100% collections) You can see that the change has resulted in a slight increase in the revenue of this year over that of last year. The school also saves the extra expense of the assessing and collecting.

"Should you need further information, I shall be glad to furnish it."

The Talpa Independent School District was originally created in 1923 by a special act, known as H. B. No. 293, Chapter 13, p. 59, Special Laws, 38th Legislature, Regular Session.

The second paragraph of Section 2 of Art. I of S. B. 167, Chapter 361, 49th Legislature, 1945, Regular Session, commonly known as the current Rural Aid Law, provides as follows:

"No school district will be eligible for aid under the provisions of this Act which has reduced its tax rate within the two years immediately preceding the year for which aid is applied for hereunder or which has reduced its tax valuation in order to show budgetary need."

The County Superintendent's letter, above quoted, reveals that there will be a slight increase in revenue this year over that of last year. This increase (based on 100% collections) will result from the raise in the tax rate on the reduced valuations. In view of these facts, it is the opinion of this department that the tax valuation of said school district was not reduced "in order to show budgetary need." Neither is its eligibility for equalization aid affected thereby.

Very truly yours,

ATTORNEY GENERAL OF TEXAS

BY:

C. H. Flewellen
C. H. Flewellen
Assistant

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